

State of Arizona
House of Representatives
Forty-sixth Legislature
First Regular Session
2003

CHAPTER 110

HOUSE BILL 2149

AN ACT

AMENDING SECTIONS 6-122, 6-517, 6-564 AND 6-593, ARIZONA REVISED STATUTES;
RELATING TO CREDIT UNIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-122, Arizona Revised Statutes, is amended to
3 read:

4 6-122. Superintendent; authority; duties; exemption

5 A. The superintendent has the authority and responsibility for the
6 discharge of all duties imposed by law on the department.

7 B. The superintendent shall:

8 1. Examine or cause to be examined each financial institution
9 annually, except financial institution holding companies, banks, savings and
10 loan associations, CREDIT UNIONS and consumer lenders, and more frequently
11 if the superintendent considers it necessary.

12 2. Examine or cause to be examined each bank, CREDIT UNION and savings
13 and loan association at the superintendent's discretion but at least once in
14 every twenty-four month period.

15 3. Examine or cause to be examined the business and affairs of any
16 enterprise and any consumer lender for the purpose of administering and
17 enforcing this title at the superintendent's discretion but at least once in
18 a five year period.

19 4. Examine or cause to be examined financial institution holding
20 companies as frequently as the superintendent considers necessary to
21 administer and enforce this title.

22 5. Notwithstanding paragraph 3 of this subsection, examine or cause
23 to be examined the accounts held in trust by each escrow agent at least once
24 in every two year period in accordance with section 20-1593 and examine or
25 cause to be examined each escrow agent at least once in every four year
26 period or more frequently if the superintendent considers it necessary.

27 6. Notwithstanding paragraph 3 of this subsection, examine or cause
28 to be examined each premium finance company at least once in every three year
29 period and more frequently if the superintendent considers it necessary.

30 7. Publish a consumer information brochure which THAT includes:

31 (a) The finance charges permitted by this state.

32 (b) The types of insurance which THAT may be offered but are not
33 required by law to be purchased with the granting of a loan.

34 (c) Interest rate limitations on all lenders including amounts which
35 THAT may not be charged to borrowers.

36 (d) Consumer rights and means of recourse from unfair practitioners.

37 8. Conduct a survey in January and July of each calendar year of each
38 escrow agent that is regulated by the department. The superintendent shall
39 compile the results of each survey and make those results available to the
40 public. The survey shall be in substantially the following format:

41 "Please rate the performance of the state banking department as one of
42 the following: excellent, very good, good, fair, poor.

43 Please describe any problems that you believe should be addressed by
44 the department."

1 C. Notwithstanding subsection B, paragraph 5 of this section an escrow
2 agent shall be examined within twelve months when an escrow agent's license
3 is transferred or assigned pursuant to section 6-813 or when control of the
4 license is otherwise acquired.

5 D. The provisions of subsection B, paragraph 3 of this section do not
6 apply to motor vehicle dealers, sales finance companies or persons licensed
7 under chapter 12 of this title.

8 Sec. 2. Section 6-517, Arizona Revised Statutes, is amended to read:

9 6-517. Federal parity

10 ~~Unless otherwise prohibited by law, in addition to all other rights,~~
11 ~~powers and privileges, a credit union organized under the laws of this state~~
12 ~~whose accounts are insured by an insuring organization has all of the rights,~~
13 ~~powers and privileges and is entitled to the same exemptions and immunities~~
14 ~~as a federal credit union with its principal office in this state. IN~~
15 ~~ADDITION TO ALL OTHER RIGHTS, POWERS AND PRIVILEGES, A CREDIT UNION ORGANIZED~~
16 ~~UNDER THE LAWS OF THIS STATE WHOSE ACCOUNTS ARE INSURED BY AN INSURING~~
17 ~~ORGANIZATION HAS ALL OF THE RIGHTS, POWERS AND PRIVILEGES AND IS ENTITLED TO~~
18 ~~THE SAME EXEMPTIONS AND IMMUNITIES AS ANY CREDIT UNION CHARTERED UNDER THE~~
19 ~~LAWS OF THE UNITED STATES.~~

20 Sec. 3. Section 6-564, Arizona Revised Statutes, is amended to read:

21 6-564. Loans to officials

22 A. A credit union may make loans to an officer, director or member of
23 its supervisory and credit committees if both of the following conditions are
24 met:

25 1. The loan complies with all requirements of this chapter and is not
26 on terms more favorable than those extended to other borrowers.

27 2. The aggregate of loans to all such officials, excepting those fully
28 secured by share or deposit accounts, does not exceed twenty per cent of the
29 credit union's capital.

30 B. A credit union may permit officers, directors and members of its
31 supervisory and credit committees to act as comakers, guarantors or endorsers
32 of loans to other members, subject to the requirements of subsection A.

33 C. All applications for loans IN THE AGGREGATE OF TWENTY THOUSAND
34 DOLLARS OR A GREATER AMOUNT AS DETERMINED BY THE SUPERINTENDENT on which an
35 official will be either a direct obligor or an endorser, cosigner or
36 guarantor shall be initially acted on by the board of directors as provided
37 in the bylaws.

38 Sec. 4. Section 6-593, Arizona Revised Statutes, is amended to read:

39 6-593. Powers of corporate credit union

40 A. A corporate credit union shall enjoy the powers and privileges of
41 any other credit union incorporated under this chapter and in addition may:

42 1. Accept share accounts or deposit accounts from its members, state
43 or federal credit unions, other corporate credit unions and credit union
44 organizations or associations.

1 2. Make loans to, deposit in or invest in its members, state or
2 federal credit unions and other corporate credit unions.

3 3. Participate with any state or federal credit union in making loans
4 to members of the corporate credit union or to members of any participating
5 credit union.

6 4. Act as intermediary for the monies of members, credit unions and
7 other corporate credit unions.

8 5. Act as agent for members, other credit unions and credit union
9 organizations in paying, receiving and transferring the assets and
10 liabilities received and invested as permitted in this article.

11 6. Receive and hold in safekeeping the securities and other assets of
12 its members and, in that connection, make such disposition of the assets as
13 may be agreed to or directed by the member.

14 7. PROVIDE PAYMENT SYSTEMS AND CORRESPONDENT SERVICES TO ITS MEMBERS,
15 NONMEMBER STATE OR FEDERAL CREDIT UNIONS, OTHER CORPORATE CREDIT UNIONS AND
16 CREDIT UNION ORGANIZATIONS OR ASSOCIATIONS.

17 ~~B. Except as otherwise prohibited by law, in addition to the rights,~~
18 ~~powers and privileges granted a credit union by section 6-516, a corporate~~
19 ~~credit union may exercise the powers or privileges granted to federal~~
20 ~~corporate credit unions.~~

21 B. IN ADDITION TO ALL OTHER RIGHTS, POWERS AND PRIVILEGES GRANTED A
22 CREDIT UNION BY SECTION 6-516, A CORPORATE CREDIT UNION ORGANIZED UNDER THE
23 LAWS OF THIS STATE HAS ALL OF THE RIGHTS, POWERS AND PRIVILEGES AND IS
24 ENTITLED TO THE SAME EXEMPTIONS AND IMMUNITIES AS ANY CORPORATE CREDIT UNION
25 CHARTERED UNDER THE LAWS OF THE UNITED STATES.

26 C. Except for the provisions of section 6-581, and except as
27 specifically permitted in this article, all provisions of this chapter
28 relating to credit unions shall apply to corporate credit unions.

APPROVED BY THE GOVERNOR APRIL 28, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 28, 2003.



Passed the House February 11, 2003

by the following vote: 58 Ayes,

0 Nays, 1 Not Voting

Jake Flake
Speaker of the House

Norman L. Moore
Chief Clerk of the House

Passed the Senate April 10, 2003

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

Keli Clunett
President of the Senate

Charmine Bellington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

H.B. 2149

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 22, 2003,

by the following vote: 55 Ayes,

0 Nays, 5 Not Voting

Jake Flake
Speaker of the House
Norman L. Fyfe
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

22 day of April, 2003

at 11:07 o'clock A M.

Sandra Ramirez
Secretary to the Governor

Approved this 28 day of

April, 2003,

at 3³⁰ o'clock P. M.

Jt. April
Governor of Arizona

H.B. 2149

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 28 day of April, 2003

at 4:51 o'clock P M.

Janice L. Brewer
Secretary of State